CLASS ACTION COMPLAINT

Case 3:21-cv-05683-WHO Document 1 Filed 07/23/21

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1. Roblox is an online, multiplayer virtual creation platform where users play games that were created, along with its for-sale content, by other users. Roblox is predominantly used by children and saw a huge surge in usage from children during the COVID-19 pandemic. According to the company, as of April 2020, two-thirds of all children in the United States between ages 9

Plaintiff A.B., a minor, represented by her mother and next friend, Audrey Burton

("Plaintiff"), individually and on behalf of all others similarly situated, makes the following

allegations pursuant to the investigation of her counsel and based upon information and belief,

except as to allegations specifically pertaining to herself and her counsel, which are based on

NATURE OF THE ACTION

personal knowledge, against defendant Roblox Corporation. ("Roblox" or "Defendant").

and 12 used Roblox, and Roblox was played by a third of all Americans under the age of 16.1 2. Roblox is initially free to join and download. Users can then purchase "Robux"

- which is the in-game currency that allows its users to make in-game purchases. Roblox's revenue is dependent upon user-created content, boasting more than 8 million developers and more than 2 million developers releasing monthly content from the Roblox Studio.² Users purchase content from Roblox's Avatar Shop, which is the user-to-user marketplace, to personalize their avatars and gaming experience. Roblox takes a commission from the user-to-user transaction and generates revenue from these sales.
- 3. Roblox has the ability and retains discretion to delete content from its users' inventories, without notice, even after the items have been purchased. Roblox does not provide refunds for the content it removes and retains the money it earns as commissions through those sales.
- 4. This is the result of Roblox's lax control policies and practices – both by allowing potentially inappropriate or infringing products to be added to its Avatar Shop and sold to users,

Olga Kharif, Kids Flock to Roblox for Parties and Playdates During Lockdown, BLOOMBERG (April 15, 2020), https://www.bloomberg.com/news/articles/2020-04-15/kids-flock-to-roblox-forparties-and-playdates-during-lockdown (last accessed July 2, 2021).

² About Us, ROBLOX, https://corp.roblox.com/(last accessed July 2, 2021).

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5. In essence, Roblox makes content available for purchase on the Roblox Avatar Shop without adequately scrutinizing the content to ensure that it complies with Roblox's policies. If Roblox later determines that the content violates its policies (*e.g.*, includes a trademarked logo), Roblox will delete the content. Rather than performing adequate oversight *before* content is

as well as a failure to have a refund policy in place so that users can be reimbursed for content lost

and then deletes the content. Roblox keeps its commissions and associated revenue, yet refuses to

offered for sale in its marketplace, Roblox waits until items are purchased, collects commissions,

6. This "sell without regard to users" approach unfairly benefits Roblox because it

allows Roblox to retain all monetary benefit after deleting content. Users, who are predominantly children, are left with nothing. Users are then forced make new purchases to replace their items,

on which Roblox then collects additional commissions.

refund its users for the deleted content.

or deleted due to circumstances out of their control.

7. There is no question that Roblox users are harmed as a result of Roblox's practice of deleting content from its platform and refusing to refund its users for those purchases. In order to substantially reduce the amount of content deleted from the Roblox platform after users purchase the items and more robustly protect Roblox users, Plaintiff seeks injunctive relief, requiring Roblox to:

- (a) Implement changes to Roblox's content moderation practices to require adequate oversight *before* content is offered for sale on the Avatar Shop;
- (b) Implement policies and practices to create additional oversight mechanisms for Roblox to monitor developers who regularly create content that ultimately gets deleted (i.e., extra oversight over "repeat offenders");
- (c) Implement policies and practices to create additional oversight mechanisms to help prevent content that Roblox deletes from the Avatar Shop to be re-introduced and offered for sale again; and

- (d) Implement a comprehensive refund program to provide users with prospective refunds for content purchased in the Avatar Shop and deleted by Roblox (the "Proposed Injunctive Relief").
- 8. On June 2, 2021, Audrey Burton, acting on behalf of Plaintiff A.B. and all others similarly situated, sent a pre-suit demand to Roblox to immediately address its unlawful and unfair practice of deleting content purchased by users from its platform and failing to issue refunds for that content. In her letter, Ms. Burton requested the Proposed Injunctive Relief as outlined above.
- 9. Plaintiff seeks declaratory and injunctive relief against Roblox on behalf of herself and other similarly situated Roblox users by asserting claims for violations of California's Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, et seq.) ("UCL"); violations of California's Consumers Legal Remedies Act (Cal. Civ. Code § 1750 et seq.) ("CLRA"), and breach of the covenant of good faith and fair dealing.

PARTIES

- 10. Plaintiff A.B. is a resident of the state of Virginia.
- 11. Plaintiff is a Roblox account holder who has used Roblox for the last two to three years. She spent approximately 200 dollars to purchase items from Roblox's store, Avatar Shop and/or Game Shop only to then experience the deletion of many of the purchased items from her inventory. Since opening her current account in September of 2020, approximately seven shirts and fifteen pairs of pants have been deleted without refund. When Plaintiff purchased items, there was an expectation that the items would remain in her inventory. She would not have purchased the items had she known that they would later be deleted and she would not receive a refund for the content.
- 12. Defendant Roblox Corporation is a Delaware Corporation with its principal place of business located at 970 Park Place, San Mateo, California 94403. Roblox regularly conducts business in this District and throughout the United States.

JURISDICTION, VENUE AND CHOICE OF LAW

- 13. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) because there are more than 100 Class members and the aggregate amount in controversy exceeds \$5,000,000, exclusive of interest, fees, and costs, and at least one Class member is a citizen of a state different from Roblox.
- 14. This Court has personal jurisdiction over Roblox because it transacts business in this State, and because the tortious conduct alleged in this Complaint occurred in, was directed to, and/or emanated from this State.
- 15. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because Defendant is headquartered in this District, and a substantial part of the events and omissions giving rise to Plaintiff's claims occurred in this District.

FACTUAL ALLEGATIONS

A. Roblox's Online Platform

16. Roblox is an online, multiplayer virtual creation platform that was founded in 2006.³ Roblox is a platform where users play games created by other users, known as developers. The platform contains over 20 million games.⁴ Roblox is dependent upon user-created content, boasting more than 8 million developers and more than 2 million developers releasing monthly content from the Roblox Studio.⁵ Roblox has over 150 million monthly users,⁶ with more than half of the users being children under the age of 16. In April 2020, Roblox stated that "two-thirds of all U.S. kids between 9 and 12 years old use Roblox, and it's played by a third of all Americans

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³ Why is everyone talking about Roblox?, POLYGON, (March 11, 2021), https://www.polygon.com/22326123/what-is-roblox-explainer-public-offering (last accessed July 2, 2021).

 $^{\| {}^4}$ Id.

⁵ About Us, ROBLOX, https://corp.roblox.com/ (last accessed July 2, 2021).

⁶ Sarah Perez, Roblox jumps to over 150M monthly users, will pay out \$250M to developers in 2020, TECHCRUNCH.com (Jul. 28, 2020, 10:23 AM), https://techcrunch.com/2020/07/28/roblox-jumps-to-over-150m-monthly-users-will-pay-out-250m-to-developers-in-2020/ (last accessed July 2, 2021).

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under the age of 16."7 Just three months later, Roblox reported to The Verge an increase from two-thirds to "over half of US kids and teens under the age of 16 play the game[.]"8

- The Roblox platform consists of the Roblox Client and the Roblox Studio. The 17. Roblox Client is the system that allows users to "explore millions of immersive 3D experiences" with friends, via a customizable avatar. The Roblox Studio is the tool used by developers to create, release, and operate the "immersive 3D experiences" within the Roblox Client. 10
- "Robux" is Roblox's virtual, in-game currency that allows its users to make in-18. game purchases.¹¹ Robux of various quantities are available for purchase through Roblox.com. Users can purchase 400 Robux for \$4.99, 1,700 Robux for \$19.99, or 10,000 Robux for \$99.99. Prices for content on the Avatar Shop vary, with "Premium" items ranging from 20 Robux to 5,000 Robux. 12 Users that create the content and sell it to other users receive the in-game currency in return. Robux can then be converted into real-world currency through the Developer Exchange Program, known as DevEx.
- 19. In addition to selling Robux in-game currency in exchange for real currency, Roblox makes a 30% commission from every user-to-user transaction in the Avatar Shop. 13
 - 20. As such, Roblox benefits financially from every transaction made on its platform.

11 "Roblox Privacy and Safety Checklist", SWGfL.org.uk,

⁷ Taylor Lyles, Over half of US kids are playing Roblox, and it's about to host Fortnite-esque parties VERGE (Jul. virtual too, THE 21, 2020, 7:16pm), https://www.theverge.com/2020/7/21/21333431/roblox-over-half-of-us-kids-playing-virtualparties-fortnite (last accessed July 2, 2021).

⁸ Id. See also Roblox: a parents' guide, PARENT INFO (https://parentinfo.org/article/roblox-aparents-guide (last accessed July 2, 2021).

⁹ About Us, ROBLOX, https://corp.roblox.com/ (last accessed July 2, 2021).

¹⁰ Roblox Support, Roblox Studio, ROBLOX, https://en.help.roblox.com/hc/enus/articles/203313860-Roblox-Studio (last accessed July 2, 2021).

https://swgfl.org.uk/assets/documents/roblox-checklist-new.pdf. ¹² Avatar Shop, ROBLOX, https://www.roblox.com/catalog/?Category=1&SortType=5 (last

accessed July 2, 2021). ¹³ Unified Marketplace Fee for Dev Products and Game Passes, DevForum.Roblox.com (Apr.

^{2020),} https://devforum.roblox.com/t/unified-marketplace-fee-for-dev-products-and-gamepasses/507109; see also Upcoming Changes to Affiliate Fees & Catalog Item Configuration Options, DevForum.Roblox.com, https://devforum.roblox.com/t/upcoming-changes-to-affiliatefees-catalog-item-configuration-options/1066940 (last accessed July 2, 2021).

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B. Roblox's Inadequate and Unfair Content-Control Practices

- 21. The Avatar Shop, formerly known as the Catalog, is where users can purchase content created by developers, such as virtual clothing and other items for their avatar, including new heads, faces, gear, accessories, T-shirts, shirts, pants, bundles, and animation packs.
- 22. Reasonable consumers expect that items purchased from the Avatar Shop will appear in their inventories and be available for use, forever.
- 23. However, users have discovered that Roblox deletes content from their inventories without notice, and then refuses to provide refunds for that content. This is the result of Roblox's lax control policies and practices over the placement and retention of content in its Avatar Shop.
- 24. Roblox makes content available for purchase on the Roblox Avatar Shop without adequately scrutinizing the content to ensure that it complies with Roblox's policies. If Roblox later determines that the content violates its policies (*e.g.*, includes a trademarked logo), Roblox deletes the content. In other words, rather than performing adequate oversight *before* content is offered for sale in its marketplace, Roblox waits until items are purchased, collects commissions, and then deletes the content. Roblox then refuses to refund its users for the deleted content, as the company does not have a refund policy in place so that users can be reimbursed for content lost or deleted due to circumstances out of their control.
- 25. This business practice and approach unfairly benefits Roblox because it allows Roblox to retain all monetary benefit after deleting content.
- 26. Users, who are predominantly children, who have been impacted by this practice, are left without the purchased items, the money spent, or any means to recover either. Users are then faced with the decision to either accept the loss of the items without reimbursement, or forced make new purchases to replace their items. Roblox earns and keeps its commissions either way.
- 27. The internet is replete with consumer complaints relating to Roblox's unfair and unlawful policy of refusing to refund users for content that it made available for sale but then later deleted. Sample complaints have been reproduced below:

- I literally bought shirts and pants and in like 5 days they got deleted. I feel like roblox is removing copied clothing but mine wasn't copied so uh-. I feel like roblox is doing the bad thing and should stop be they ARENT EVEN REFUNDING US. What do you think about this?¹⁴
- I came back to Roblox after a while to see a lotta stuff in mv inventory that I bought in the past be deleted off the catalog, without any form of compensation (such as Robux back) at no fault of my own. Who else thinks they should give back Robux to Players who bought now-deleted things off the Catalog?¹⁵
- Company refuses to help recover account items worth hundreds of dollars. This is a corporate plot intent on draining my wallet further with a brick wall and a U-Turn sign every time I try to contact them. I am reaching out to BBB because the corporation is sending scripted messages and unprofessionally handling this. Having a bad community is not a reason to have unhelpful responses to issues. The company policy says we can only be recompensated once ever if anything happens to our account and states that they expect our accounts to be safe, but I have experienced coercion and blackmail and there was no way to solve this issue. I sought help, and I got ignored. I wish for a response.¹⁶
- We should be able to get refunds for clothing we've bought that was moderated and deleted later. Earlier today, i went to the customize avatar page on roblox, and saw that one of the shirts i bought was deleted. So i observed it, and it was indeed deleted (the reason why it was deleted was that had been moderated, which it wasnt really that bad, since it was one of those Lightning Blue Adidas shirts). So, i decided to remove it from my inventory, but then after I did that, it got me thinking. When something you own thats been created by users(UGC Accessories, Shirts, Pants, etc) that has been deleted from the catalog, shouldn't you be given the promt to get a refund after it has been deleted?¹⁷
- You purchase items virtually with hard earned money and they steal the items back so you have to repurchase them. This company rips off under age children and deceives them. I sent them this email and they replied with multiple auto responses. They don't care and don't want to come up with resolutions. I know there are hundreds of parents wanting to file a class action suit against them.¹⁸

¹⁴ Yall why is roblox banning random shirts/pants, ROBLOX FORUM (January 11, 2021) https://robloxforum.com/threads/yall-why-is-roblox-banning-random-shirts-pants.62673/ (last accessed July 2, 2021).

^{3 | 15} Players should be reimbursed for deleted items from Catalog..., REDDIT | https://www.reddit.com/r/roblox/comments/j30x8b/players_should_be_reimbursed_for_deleted_items/ (last accessed July 2, 2021).

¹⁶ Roblox Corporation, BETTER BUSINESS BUREAU https://www.bbb.org/us/ca/san-mateo/profile/online-gaming/roblox-corporation-1116-316031/complaints (last accessed July 2, 2021).

¹⁷ Get a Refund if clothing item is Deleted, DEVELOPER (March 2020) https://devforum.roblox.com/t/get-a-refund-if-clothing-item-is-deleted/486384 (last accessed July 2, 2021).

¹⁸ Roblox Corporation, BETTER BUSINESS BUREAU https://www.bbb.org/us/ca/san-mateo/profile/online-gaming/roblox-corporation-1116-316031/complaints (last accessed July 2, 2021).

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¹⁹ Can you refund deleted items?, REDDIT

26 https://www.reddit.com/r/roblox/comments/i0qenv/can_you_refund_deleted_items/ (last accessed July 2, 2021).

27 The Roblex Clothing Moderation, ROBLOX FORUM (February 24, 2021),

https://robloxforum.com/threads/the-roblox-clothing-moderation.66425/ (last accessed July 2, 2021).

28. Consumers have also complained that it often appears that the deleted content is unconnected to any type of policy violation and that Roblox removes content arbitrarily. For example, one consumer wrote:

That is complete BS. My daughter paid 84 Robux for pants and they were just deleted. There was nothing inappropriate about them to get them deleted. There should be a warning or refund system. Otherwise, they could just keep deleting everything for no reason to force people to buy more things.¹⁹

C. Roblox Benefits From Nonexistent Content-Control Measures

- 29. Roblox benefits from its failure to implement content-control procedures to prevent items, which must later be removed from its Avatar Shop, from being sold in the first instance. Roblox generates revenue from the sale of each item sold in the Avatar Shop, whether or not it ultimately gets deleted. As such, Roblox has no incentive to perform quality control to preclude such content from being offered for sale.
- 30. Instead, Roblox waits until items are purchased, collects commissions, and *then* deletes the problematic content.
- 31. As one user put it, "it's basically the same as scamming (paying money for something and getting nothing in return as promised)."²⁰
- 32. To make matters worse, users and developers are able to reintroduce into the marketplace items that Roblox previously removed. As a result of Roblox's inadequate control practices, Roblox continues to collect commissions from new sales of content that it previously removed for violating policies.
- 33. Roblox does not remove developers who repeatedly have content removed for violations. These "repeat offender" developers continue to profit off of Roblox users, generate income for Roblox, and suffer no repercussions.

- 34. Roblox users are harmed as a result of Roblox's lack of policies and practices associated with the process by which content is initially uploaded to the Avatar Shop.
- 35. Roblox benefits from its refusal to adopt any form of refund program to address the out-of-pocket losses incurred by its users. Instead, Roblox keeps its commissions, and refuses to refund its users for the deleted content.
- 36. Roblox must be held accountable and ordered to take affirmative actions to protect its users through adequate oversight *before* content is offered for sale on the Avatar Shop. As such, Plaintiff seeks the Proposed Injunctive Relief.

CLASS ALLEGATIONS

37. Plaintiff brings this action on behalf of herself and as a class action pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(2), and 23(c)(4) on behalf of the following proposed Class:

All individuals who purchased content on the Roblox platform (the "Class").

- 38. Specifically excluded from the Class are Roblox, its officers, directors, agents, trustees, parents, children, corporations, trusts, representatives, employees, principals, servants, partners, joint venturers or entities controlled by Roblox, and their heirs, successors, assigns, or other persons or entities related to or affiliated with Roblox and/or its officers and/or directors, the judge assigned to this action, and any member of the judge's immediate family.
- 39. Plaintiff reserves the right to amend the Class definition above if further investigation and/or discovery reveals that the Class should be expanded, narrowed, divided into subclasses, or otherwise modified in any way.
- 40. This action may be certified as a class action under Federal Rules 23(a) because it satisfies the numerosity, commonality, typicality, and adequacy requirements therein.
- 41. *Numerosity*. Class members are so numerous and geographically dispersed that individual joinder of all Class members is impracticable. Plaintiff is informed and believes that there are millions of Class members throughout the country, making joinder impracticable.

- 42. *Common questions of law and fact.* Common questions of law and fact exist as to all members of the Class. The common factual and legal questions include, but are not limited to, the following:
 - (a) Whether Roblox's practice of deleting content purchased by users from its platform and failing to issue refunds for that content is an unfair business practice under the UCL;
 - (b) Whether Roblox's practice of deleting content purchased by users from its platform and failing to issue refunds for that content is an unlawful business practice under the UCL;
 - (c) Whether Roblox practice of deleting content purchased by users from its platform and failing to issue refunds for that content violates the CLRA;
 - (d) Whether Roblox adequately and effectively reviews content for policy violations before content is offered for sale to its users;
 - (e) Whether Roblox breached its covenant of good faith and fair dealing with Class members;
 - (f) Whether Roblox's misconduct alleged herein caused harm to Class members;
 - (g) Whether Roblox has the capability to implement changes to Roblox's content moderation practices to require adequate oversight *before* content is offered for sale on the Avatar Shop;
 - (h) Whether Roblox has the capability to implement policies and practices to create additional oversight mechanisms for Roblox to monitor developers who regularly create content that ultimately gets deleted;
 - (i) Whether Roblox has the capability to implement policies and practices to create additional oversight mechanisms to help prevent content that Roblox deletes from the Avatar Shop to be re-introduced and offered for sale again;

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- (i) Whether Class members are entitled to injunctive relief, including, but not limited to, the Proposed Injunctive Relief, to prevent future harm;
- (k) Whether Class members are entitled to declaratory relief to prevent future harm.
- 43. Typicality. Plaintiff's claims are typical of the claims of the other Class members in that the claims of Plaintiff and other Class members are reasonably co-extensive, and arise from the same course of wrongful conduct.
- 44. Adequacy of representation. Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff has retained counsel highly experienced in complex consumer class action litigation, and Plaintiff intends to vigorously prosecute this action. Further, Plaintiff has no interests that are antagonistic to those of the other Class members.
- 45. The Class may be certified under 23(b)(2) because Roblox has acted or refused to act on grounds generally applicable to the Class as a whole, thereby making appropriate final declaratory and injunctive relief with respect to Class members as a whole.
- 46. Alternatively, at a minimum, particular common issues are appropriate for class treatment under Rule 23(c)(4).

COUNT I

Violations of California's Unfair Competition Law On Behalf of Plaintiff and the Class Cal. Bus. & Prof. Code §§ 17200, et seq.

- 47. Plaintiff re-alleges and incorporates by reference herein all of the allegations set forth above.
- 48. In accordance with the liberal application and construction of the Unfair Competition Law ("UCL"), application of the UCL to all Class members is appropriate, given that Roblox's headquarters is in San Mateo, California; Roblox's conduct as described herein originated from California; and the decisions regarding Roblox's content moderation emanated from California.
 - 49. Roblox is a "person" as defined by Cal. Bus. & Prof. Code § 17201.

- 50. Roblox violated Cal. Bus. & Prof. Code § 17200 et seq. by engaging in unlawful and unfair business acts and practices.
- 51. Roblox engaged in "unfair" business acts or practices by failing to adequately and effectively review content for policy violations before the content could be purchased, and thereafter deleting the content and refusing to issue refunds for the content purchased.
- 52. Roblox's practices constitute unfair business practices in violation of the UCL because, among other things, they are immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers and/or any utility of such practices is outweighed by the harm caused to consumers. Roblox's practices violate the legislative policies of the underlying statutes alleged herein: namely, protecting consumers and preventing persons from being injured. Roblox's practices caused substantial injury to Plaintiff and absent members of the Class and are not outweighed by any benefits, and Plaintiff and absent members of the Class could not have reasonably avoided their injuries.
- 53. Roblox also engaged in "unlawful" business acts or practices under the UCL. "By proscribing any unlawful business practice, section 17200 borrows violations of other laws and treats them as unlawful practices that the UCL makes independently actionable." *Cel-Tech Communications, Inc. v. Los Angeles Cellular Telephone Co.*, 20 Cal. 4th 163, 180 (1999) (citations and internal quotation marks omitted).
- 54. Virtually any law or regulation federal or state, statutory, or common law can serve as a predicate for an UCL "unlawful" violation. *Klein v. Chevron U.S.A., Inc.*, 202 Cal. App. 4th 1342, 1383 (2012).
- 55. Roblox engaged in unlawful business acts or practices by violating state law, including the CLRA, Cal. Civ. Code § 1780 *et seq.*, and common law, as alleged herein.
- 56. As a direct and proximate result of Roblox's unfair acts or business practices, Plaintiff and Class members have suffered injury in fact and lost money or property.

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- 57. Plaintiff and Class members seek injunctive relief, declaratory relief; reasonable attorneys' fees and costs under California Code of Civil Procedure § 1021.5; and other appropriate equitable relief.
- 58. Specifically, Plaintiff and other Class members are entitled to injunctive relief against Roblox under the UCL, including, without limitation, directing Roblox to:
- 59. Implement changes to Roblox's content moderation practices to require adequate oversight *before* content is offered for sale on the Avatar Shop;
- 60. Implement policies and practices to create additional oversight mechanisms for Roblox to monitor developers who regularly create content that ultimately gets deleted (i.e., extra oversight over "repeat offenders");
- 61. Implement policies and practices to create additional oversight mechanisms to help prevent content that Roblox deletes from the Avatar Shop to be re-introduced and offered for sale again; and
- 62. Implement a comprehensive refund program to provide users with prospective refunds for content purchased in the Avatar Shop and deleted by Roblox.

COUNT II

Violations of California's Consumer Legal Remedies Act (On Behalf of Plaintiff and the Class) Cal. Civ. Code. § 1750 et seq.

- 63. Plaintiff re-alleges and incorporates by reference herein all of the allegations set forth above.
- 64. The Consumers Legal Remedies Act, Cal. Civ. Code § 1750 et seq. ("CLRA"), is a comprehensive statutory scheme that is to be liberally construed to protect consumers against unfair and deceptive business practices in connection with the conduct of businesses providing goods, property or services to consumers primarily for personal, family, or household use.
- 65. In accordance with the liberal application and construction of the CLRA, application of the CLRA to all Class members is appropriate, given that Roblox's headquarters is

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in San Mateo, California; Roblox's conduct as described herein originated from California; and the decisions regarding Roblox's content moderation emanated from California.

- 66. Roblox is a "person" as defined by Cal. Civil Code §§ 1761(c) and 1770 and has provided "goods" as defined by Civil Code §§ 1761(a) and 1770.
- 67. Plaintiff is a "consumer" under Cal. Civ. Code § 1761(d) and has suffered damage as a result of the use or employment by Roblox of the methods, acts, or practices set forth below, which are unlawful under Cal. Civ. Code § 1770(a).
- 68. Roblox's acts and practices were intended to and did result in the sales of goods and services to Plaintiff and Class members in violation of Cal. Civil Code § 1770, including:
 - (a) representing that the content in the Avatar Shop has been approved for purchase (or failing to disclose that it has not), in violation of Cal. Civ. Code §§ 1770(a)(2), (5), (7) and (16);
 - (b) Advertising the content in the Avatar Shop with the intent not to sell the content as advertised, in violation of Cal. Civ. Code § 1770(a)(9); and
 - (c) Representing that a purchase from the Avatar Shop confers or involves rights, remedies, or obligations that it does not have or involve, in violation of Cal. Civ. Code § 1770(a)(14).
- 69. Roblox had a duty to disclose material facts to consumers, including but not limited to, the fact that the content made available for sale in the Avatar Shop had not yet been moderated, was at risk of being deleted at any point, and would not be eligible for a refund.
- 70. Roblox's misrepresentations and omissions were material because consumers would not have purchased the content from the Avatar Shop, or would have paid less for it, had they been aware that the content could be deleted at any time and would not be eligible for a refund.
 - 71. Plaintiff and absent Class members acted reasonably in relying on Roblox's
- 72. misrepresentations and omissions, the truth of which they could not have discovered with reasonable diligence.

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- 73. As a direct and proximate result of Roblox's violations of California Civil Code § 1770, Plaintiff and Class members have suffered and will continue to suffer injury, ascertainable losses of money or property, and monetary and non-monetary damages, including from not receiving the benefit of their bargain in purchasing content from the Avatar Shop.
- 74. Prior to the filing on this Complaint, on June 2, 2021, Audrey Burton, acting on behalf of Plaintiff A.B. and all others similarly situated, sent a notice and demand letter to Roblox advising Roblox that she demands injunctive relief in the form of changes to certain corporate processes, practices, and policies. Ms. Burton specifically requested the Proposed Injunctive Relief.
- 75. As a result of Roblox's conduct as alleged herein, Plaintiff and Class members have been damaged.
- 76. Plaintiff seeks injunctive relief under this Count and an order enjoining the acts and practices alleged unlawful herein.
- 77. In addition to the injunctive remedies set forth above, Plaintiff also seeks an award of attorneys' fees and costs under California Code of Civil Procedure § 1021.5; and other appropriate equitable relief.

COUNT III

Breach of the Covenant of Good Faith and Fair Dealing

- 78. Plaintiff re-alleges and incorporates by reference herein all of the allegations set forth above.
- 79. Every contract is governed by the implied covenant of good faith and fair dealing that prevents a contracting party from depriving other contracting parties from the expended benefits accruing under the contract.
 - 80. Plaintiff and other Class members purchased content from the Avatar Shop.
- 81. Roblox deleted content that Plaintiff and other Class members purchased from the Avatar Shop without issuing refunds.

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- 82. Roblox generates revenue from the sale of each item sold in the Avatar Shop, whether or not it ultimately gets deleted.
- 83. Roblox fails to adequately perform oversight before content is offered for sale in its marketplace. Rather, Roblox waits until items are purchased, collects commissions, and then deletes the content without providing refunds, leaving its users, who are predominantly children, with nothing.
- 84. Roblox engaged in conduct that frustrated and interfered with the rights of Plaintiff and other Class members and these actions prevent Plaintiff and the Class from receiving the benefits of their bargain.
- 85. As a direct and proximate result of Roblox's breach of the covenant of good faith and fair dealing, Roblox caused harm to Class members. To redress such harm, Plaintiff seeks injunctive relief under this Count and an order enjoining the acts and practices alleged unlawful herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays for a judgment in its favor and in favor of the Class as follows:

- A. Certifying this action as a class action, appointing Plaintiff as the Class Representative, and appointing Plaintiff's undersigned counsel as Class Counsel, under Rule 23 of the Federal Rules of Civil Procedure;
 - В. Awarding declaratory and injunctive relief;
- C. Awarding Plaintiff and the Class attorneys' fees and costs (including, without limitation, under Section 1021.5 of the California Code of Civil Procedure);
- D. Awarding Plaintiff and the Class prejudgment and post-judgment interest; and
 - E. Providing any and all further relief as the Court may deem just and proper.

1 **JURY DEMAND** 2 Plaintiff requests a trial by jury of all claims that can be so tried. 3 DATED: July 23, 2021 Respectfully Submitted, 4 LEVI & KORSINSKY, LLP 5 By: /s/ Adam M. Apton 6 Adam M. Apton (State Bar No. 316506) 7 388 Market Street, Suite 1300 San Francisco, CA 94111 8 Telephone: 415-373-1671 Facsimile: 212-363-7171 9 Email: aapton@zlk.com 10 Mark S. Reich (*pro hac vice* to be filed) 11 Courtney E. Maccarone (pro hac vice to be filed) LEVI & KORSINSKY, LLP 12 55 Broadway, 10th Floor New York, NY 10006 13 Telephone: 212-363-7500 Facsimile: 212-363-7171 14 Email: mreich@zlk.com 15 cmaccarone@zlk.com 16 Attorneys for Plaintiff and the Proposed Class 17 18 19 20 21 22 23 24 25 26 27 28 CLASS ACTION COMPLAINT